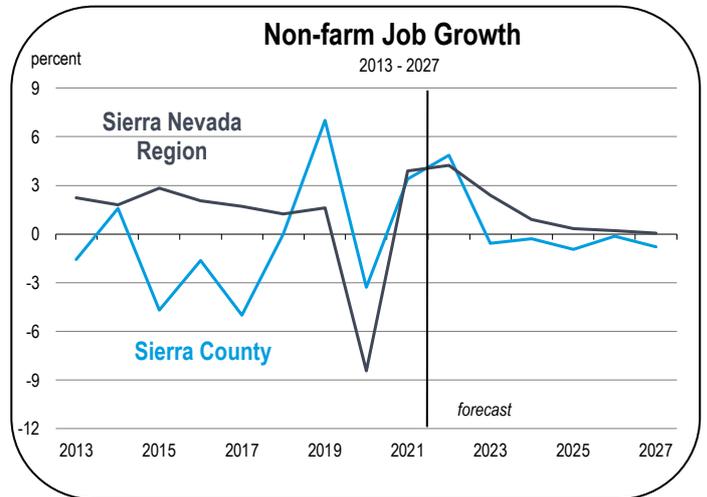


# Sierra County Economic Forecast

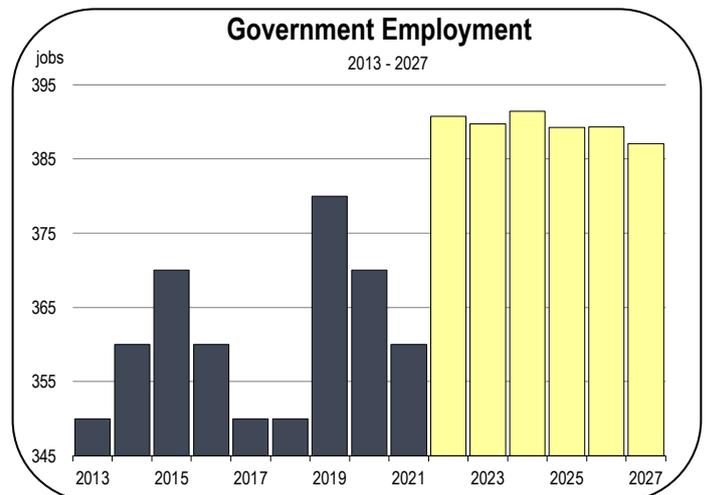
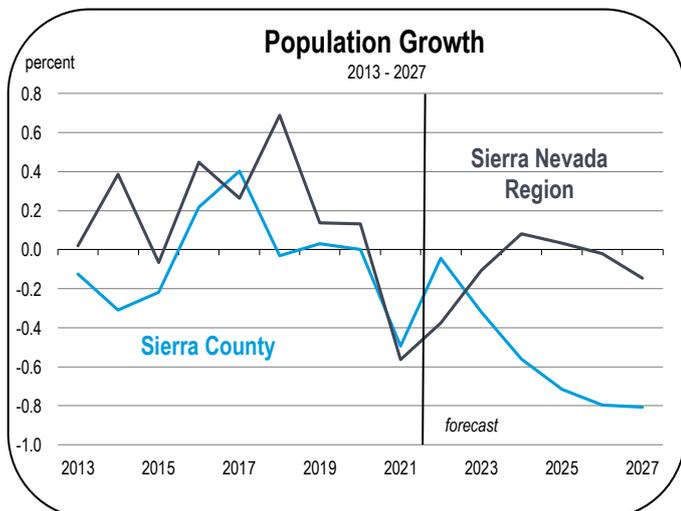
## Forecast Summary

- Sierra County is a small county north of Lake Tahoe with roots dating back to the Gold Rush. The county is known for its nature, cattle, and history. It is the second smallest county in California, after Alpine County.
- Similar to Alpine County, the population is in a steady decline. Also in general decline is total employment at firms located within the county.
- The population in early 2022 was estimated at 3,229 residents. The state estimates that 1,301 of these people are employed, the highest number since 2011.
- Public sector employment accounts for 58 percent of all wage and salary jobs in the county.
- During 2021, the labor market restored all 28 jobs which were lost in 2020 due to the pandemic. In 2022, 38 jobs will be created, mostly federal government jobs within the U.S. Forecast Service.
- The unemployment rate will fall to 3.7 percent in 2022, the smallest rate ever recorded in the county.
- The decline in the Sierra County population is expected to persist over the forecast period. The trajectory of decline has the estimated population at 3,114 residents in 2027. This would be the lowest population in the county since 1981.
- The median home value increased by 16 percent in 2021. Home prices are on a pace through November to decline 12 percent in 2022.

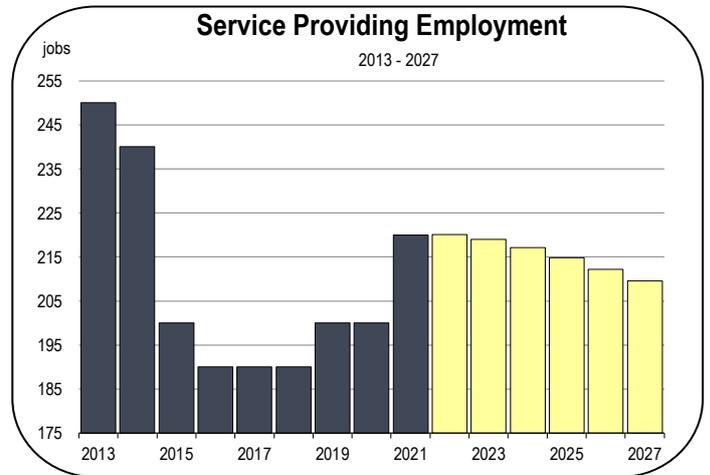
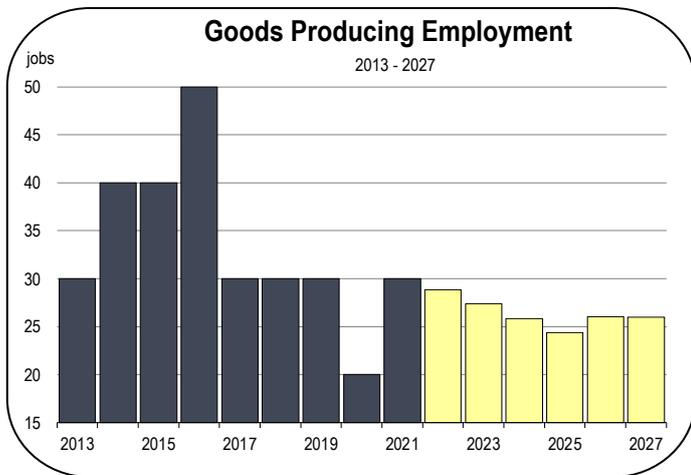


## The Job Market

- The Sierra County labor market is very small. In October 2022, local companies employed approximately 720 workers. Most of these jobs were filled by Sierra County residents.
- There are also approximately 600 people who live in Sierra County and either commute to other counties for work, primarily to Nevada County (in California), and to Washoe County (across the Nevada state line), or they are self-employed.
- The primary employment sectors in Sierra County are the service-providing industry and the government sector. Together, they account for 93 percent of all local jobs.
- The remaining 7 percent of all jobs are in farming or construction.



# Sierra County Economic Forecast

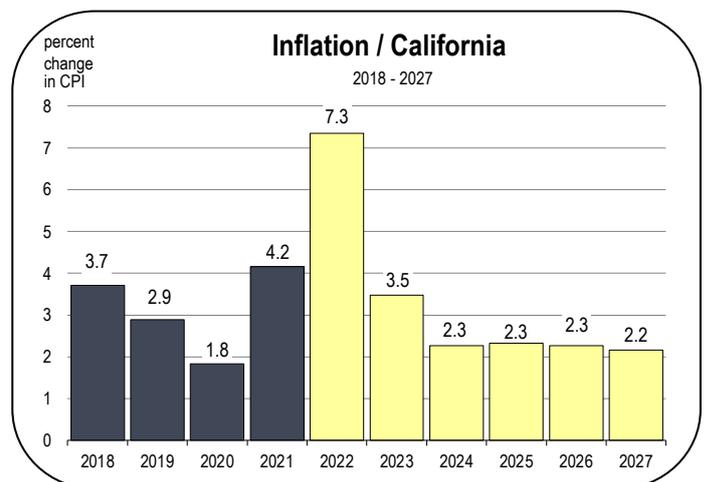
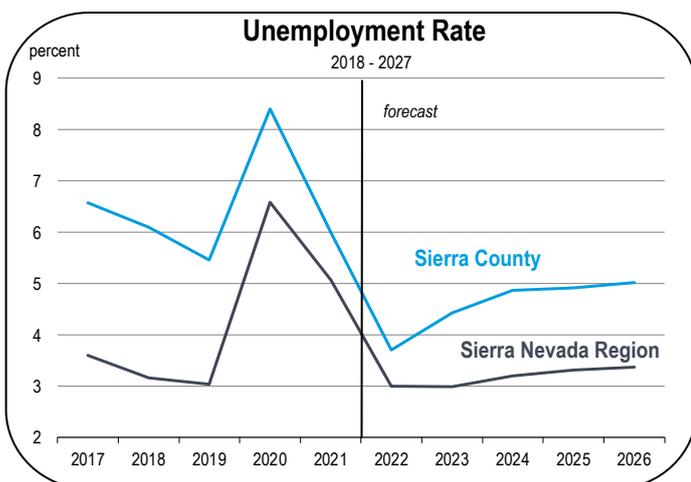


- Sierra County is a small business economy. Approximately half of all workers are employed in very small firms that have fewer than 10 employees.
- The largest private employer in the county is the Medical Clinic, called the Loyalton Skilled Nursing Facility. Other larger employers are all public sector organizations, including (1) the six municipal fire departments which collectively, rival the hospital in total employment, (2) Sierra County Human Services, and (3) Loyalton High School and Elementary School.

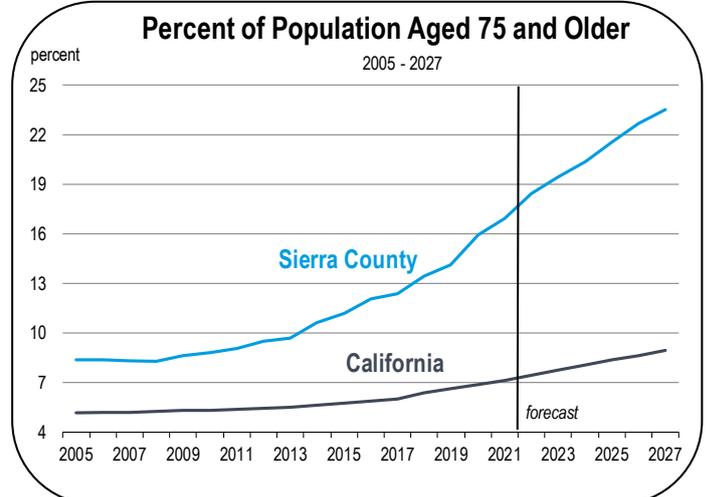
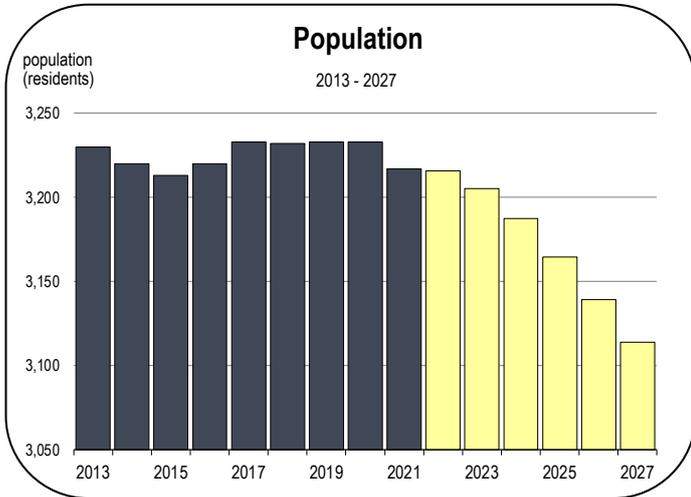
## Unemployment and Inflation Rates

- The unemployment rate in Sierra County averaged 6.0 percent in 2021, and is expected to average 3.6 percent in 2022 and 4.4 percent in 2023.
- Even though the Sierra County economy is not forecast to create jobs during the forecast period, the unemployment rate will improve because the labor force will shrink, in tandem with the population, and fewer local residents will participate in the job market.

- During 2023 and 2024, there will be a number of factors that will contribute to higher inflation.
- The most prominent will be:
  - Record spending by consumers and the federal government during 2021 and 2022
  - Persistent fractures in the global supply chain that have raised the cost of production for many businesses and have resulted in shortages of some products
  - Sharp increases in the cost of energy, due to new U.S. energy policies and the Eurasian war
  - Labor market recruitment challenges that have forced companies to raise wages sharply in 2022
- Combined, these factors have pushed inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate during 2023 as supply chains and the labor force are gradually restored, eventually falling to below 3 percent again by mid-2024.

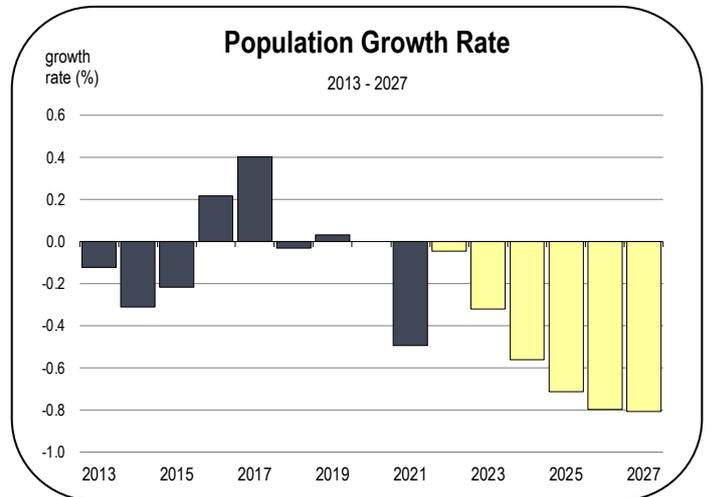
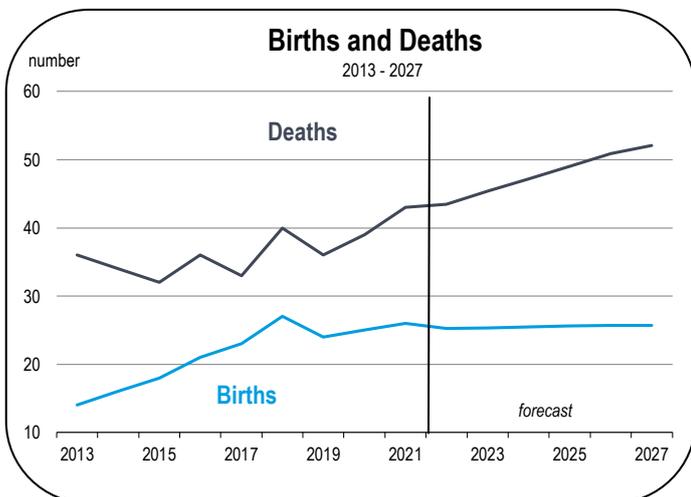
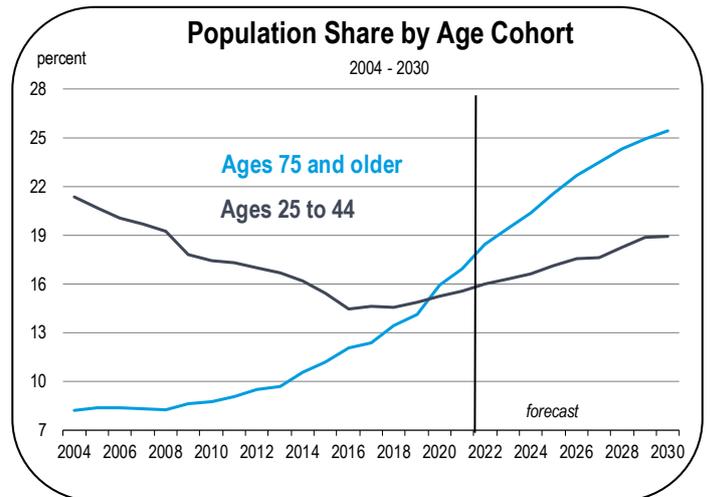


# Sierra County Economic Forecast



## Population Growth

- The population has been in decline since 1998.
- The population has a much older share of residents than most other California counties. The share of the population aged 75 years and older is larger than the 25-to-44 year old cohort share.
- As a result, the number of deaths exceeds the number of births.
- Between 2016 and 2021, there were 81 more deaths than births, which contributed to overall population decline.
- Between 2022 and 2026, 135 more deaths than births are expected.
- The population was stagnant over the last six years. It is expected to decline at a rate of 0.5 percent over the next six years.



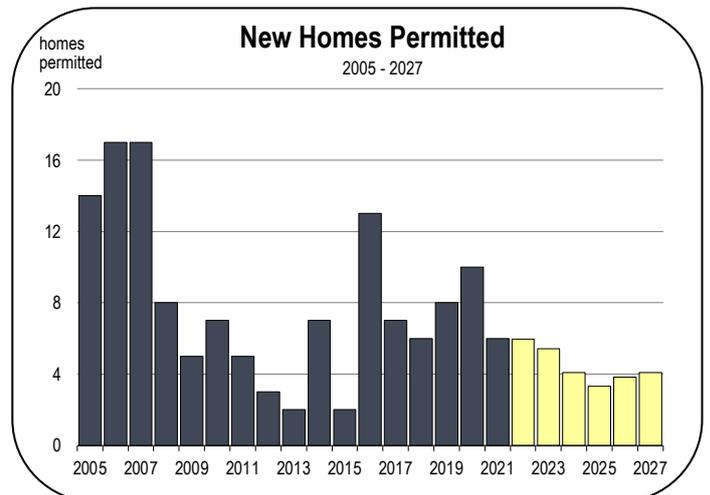
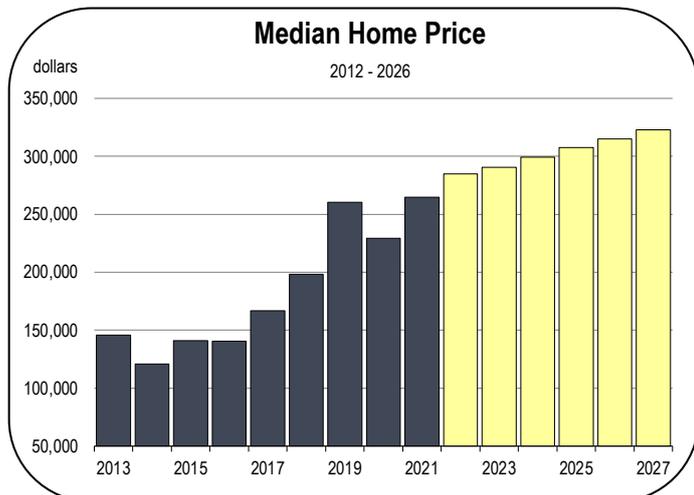
# Sierra County Economic Forecast



Downtown Downieville, painting by David Cross, 2011. The population of the county seat is approximately 300 residents. According to historical accounts, the population was estimated at 2,000 residents during the gold rush years when the town petitioned to become the state capital of California.

## Home Prices and New Housing Production

- In 2021 the median home value in Sierra County was \$254,000. Redfin reported a value of \$449,000. The wide disparity between reports is due to the small sample size of housing transactions. There have only been 42 home sales during the first 11 months of 2022. The median home value reported by Redfin is \$400,265.
- The median price is not expected to rise in 2023. Over the forecast however, home prices will increase modestly, due principally to the lack of supply and out-of-county buyers because many home purchases today are for second homes.
- From 2016 to 2021, an average of 8 new homes were started per year in Sierra County. All were single-family homes.
- Between 2022 and 2027, approximately 30 homes are expected to be built, an average of 5 per year. Virtually all will be single-family units. The lower rate of production is in line with the diminishing population forecast and the elevated interest rate environment that will persist into 2024.



# Sierra County Economic Forecast

## Agriculture

- The total value of agricultural products was \$12 million in the latest report prepared. Timber production accounted for an additional \$1.7 million.
- Sierra county's largest source of farming revenue is in cattle. The Agricultural Commissioner reported a total cattle livestock valuation of \$3.65 million in the latest report. There are more cattle in the county than human residents.
- Another principal farm product in Sierra County is Hay production. The county produces Alfalfa, Grain, and Grass Hay in equal amounts.

## Tourism

- Sierra Hot Springs Resort and Retreat Center is a popular attraction in Sierra County. The resort is located in Sierraville and is only available through reservation. Sierra Hot Springs offers many activities which include the various pools, private tubs, hiking, water yoga, special events, tent and RV camping, and hotel rooms.
- Day access to the resort costs \$30 per person and \$5 for a hot springs membership. Hotel stays start at \$110 per night in the winter, and \$135 per night in the spring.
- Sierra County is also the home to many historic gold mines. Chief among them is the Kentucky Mine. Tours for the mine and the museum occur twice a day. The museum is only open from Memorial Day to Labor day.
- Admission to the mine is \$5 per adult and \$2 per child. A guided tour is slightly more expensive.



Sierra Hot Springs Resort and Retreat Center in Sierra County

# Sierra County Economic Forecast

## Economic Indicators

## 2015-2021 History, 2022-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (millions)	Taxable Retail Sales (millions)	Total Taxable Sales (millions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	3,213	1.5	5	2	5.5	\$119	\$11	\$20	\$3.5	\$42,288	8.8	\$11.9	1.4
2016	3,220	1.5	11	13	5.6	\$123	\$13	\$22	\$7.6	\$42,671	7.6	\$11.6	2.3
2017	3,233	1.5	11	7	5.6	\$130	\$13	\$22	\$8.0	\$43,765	6.6	\$11.6	3.0
2018	3,232	1.5	11	6	5.5	\$132	\$14	\$20	\$12.5	\$42,938	6.1	\$10.8	3.7
2019	3,233	1.5	10	8	5.7	\$139	\$24	\$29	\$10.3	\$43,937	5.5	\$12.6	2.9
2020	3,233	1.5	10	10	5.7	\$149	\$17	\$24	\$5.5	\$46,227	8.4	\$11.8	1.8
2021	3,217	1.5	3	6	6.0	\$159	\$19	\$31	\$6.1	\$47,345	6.0	\$11.0	4.2
2022	3,216	1.5	15	6	6.1	\$168	\$20	\$30	\$6.4	\$46,634	3.7	\$11.0	7.3
2023	3,205	1.5	10	5	6.1	\$175	\$20	\$31	\$6.4	\$47,077	4.4	\$10.6	3.5
2024	3,187	1.5	4	4	6.1	\$180	\$20	\$31	\$6.1	\$47,734	4.9	\$10.7	2.3
2025	3,164	1.5	1	3	6.2	\$185	\$20	\$32	\$5.9	\$48,379	4.9	\$10.9	2.3
2026	3,139	1.5	0	4	6.2	\$191	\$20	\$32	\$6.0	\$49,142	5.0	\$10.9	2.3
2027	3,114	1.5	1	4	6.3	\$197	\$20	\$33	\$5.9	\$49,920	5.2	\$11.0	2.2
2028	3,089	1.5	2	3	6.3	\$202	\$20	\$33	\$5.6	\$50,631	5.4	\$11.0	2.2
2029	3,064	1.5	3	4	6.3	\$207	\$20	\$33	\$5.7	\$51,094	5.5	\$11.0	2.3
2030	3,038	1.5	3	4	6.4	\$212	\$20	\$34	\$5.6	\$51,582	5.6	\$11.0	2.2
2031	3,012	1.5	3	4	6.4	\$216	\$20	\$35	\$5.6	\$52,078	5.5	\$10.9	2.1
2032	2,983	1.5	2	3	6.4	\$221	\$21	\$35	\$5.3	\$52,538	5.5	\$10.9	2.3
2033	2,955	1.5	2	3	6.4	\$226	\$21	\$36	\$5.0	\$53,146	5.5	\$10.9	1.9
2034	2,927	1.5	3	3	6.4	\$231	\$21	\$36	\$5.1	\$53,704	5.5	\$10.9	2.1
2035	2,899	1.5	3	4	6.4	\$236	\$21	\$37	\$5.1	\$54,196	5.5	\$11.0	2.2
2036	2,874	1.5	5	3	6.4	\$241	\$21	\$38	\$4.8	\$54,492	5.5	\$11.0	2.6
2037	2,850	1.5	7	2	6.4	\$247	\$21	\$38	\$4.6	\$54,751	5.5	\$11.0	2.7
2038	2,830	1.5	10	2	6.3	\$253	\$22	\$39	\$4.4	\$55,057	5.5	\$11.0	2.5
2039	2,802	1.5	2	2	6.3	\$258	\$22	\$40	\$4.3	\$55,359	5.5	\$11.0	2.7
2040	2,774	1.5	2	2	6.3	\$264	\$22	\$41	\$4.1	\$55,686	5.5	\$11.0	2.6
2041	2,751	1.5	5	2	6.3	\$270	\$22	\$42	\$4.0	\$56,110	5.5	\$11.0	2.2
2042	2,729	1.5	5	2	6.3	\$275	\$22	\$42	\$3.9	\$56,564	5.5	\$11.0	2.1
2043	2,707	1.5	4	2	6.3	\$281	\$23	\$43	\$3.8	\$57,078	5.5	\$11.0	2.0
2044	2,685	1.5	4	2	6.3	\$286	\$23	\$43	\$3.8	\$57,636	5.5	\$11.0	1.8
2045	2,665	1.5	3	2	6.3	\$292	\$23	\$44	\$3.7	\$58,129	5.5	\$11.0	1.9
2046	2,645	1.5	3	2	6.3	\$298	\$23	\$45	\$3.6	\$58,566	5.5	\$11.0	2.0
2047	2,627	1.5	2	2	6.3	\$304	\$23	\$46	\$3.5	\$58,907	5.5	\$11.0	2.2
2048	2,609	1.5	2	2	6.3	\$311	\$23	\$46	\$3.5	\$59,207	5.6	\$11.0	2.3
2049	2,593	1.5	1	2	6.3	\$317	\$23	\$47	\$3.4	\$59,612	5.6	\$11.0	2.0
2050	2,578	1.5	1	2	6.3	\$324	\$24	\$48	\$3.3	\$59,984	5.6	\$11.0	2.1

## Employment Sectors

## 2015-2021 History, 2022-2050 Forecast

	Total Wage & Salary	Farm	Goods Producing (jobs)	Service Providing	Government
2015	630	20	40	200	370
2016	620	20	50	190	360
2017	590	20	30	190	350
2018	590	20	30	190	350
2019	630	20	30	200	380
2020	610	20	20	200	370
2021	630	20	30	220	360
2022	659	20	29	220	391
2023	656	20	27	219	390
2024	654	20	26	217	391
2025	648	20	24	215	389
2026	648	20	26	212	389
2027	643	20	26	210	387
2028	636	20	24	207	385
2029	631	20	25	205	381
2030	626	20	26	202	378
2031	616	20	26	199	371
2032	608	20	24	197	367
2033	602	20	23	194	365
2034	598	20	24	191	363
2035	593	20	25	188	360
2036	586	20	23	186	356
2037	580	20	22	184	354
2038	575	20	21	182	352
2039	569	20	21	179	349
2040	564	20	20	176	347
2041	560	20	20	174	346
2042	555	20	20	172	343
2043	551	20	20	169	342
2044	547	20	20	167	340
2045	543	20	20	165	338
2046	538	20	20	163	335
2047	534	20	20	161	333
2048	531	20	20	160	331
2049	528	20	19	158	330
2050	527	20	19	157	331

# Sierra County Economic Forecast

## Socioeconomic Indicators

